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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)
)
Multimedia Cablevision, Inc.,)
)
Complainant,)
)
v.)
)
Southwestern Bell Telephone)
Company,)
)
Respondent.)

CS Docket No. 96-181
PA 95-008

DOCKET FILE COPY ORIGINAL

To: The Honorable Arthur I. Steinberg, Administrative Law Judge

RESPONSE OF SOUTHWESTERN BELL TELEPHONE COMPANY

Pursuant to the Memorandum Opinion and Hearing Designation Order ("HDO") in the above-captioned proceeding, Southwestern Bell Telephone Company ("SWBT") hereby files the information required by paragraphs 25, 30, 32, 36 and 38 thereof and provides other information pertinent to issues designated in the HDO.¹

1. Paragraph 25 of the HDO directed SWBT to file "information concerning the existence and use of a maintenance duct." The Affidavit of Les Bolhofner attached hereto as

¹ SWBT provides information concerning some issues pertinent to the issues designated in the HDO. However, SWBT has not attempted to note all of its objections to the HDO in this filing. For example, SWBT objects to the half-duct convention as set forth in the HDO.

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Exhibit "A" provides this information. If additional details concerning maintenance ducts is needed for purposes of this proceeding, SWBT will provide it upon request.

2. Paragraph 30 of the HDO directed SWBT to file information concerning the amounts of conduit-associated benefits and rents to be included in the numerator of the administrative component computation.² This information is contained in the internal company reports entitled "CAP1 Expense Matrix Totals by Final Account for Kansas." Redacted copies of these "CAP1" reports for purposes of 1995 and 1996 conduit rates are attached hereto as part of the documentation supporting the administrative expense calculation in Exhibit "B" and Exhibit "C".³ Exhibit "B" and Exhibit "C" contain the information needed to calculate conduit rates pursuant to the Commission's formula for 1995 and 1996, respectively. The data for 1995 rates is year-end 1993 data and the data for 1996 is year-end 1994 data.

3. In paragraph 31 of the HDO, the Commission concludes, based on the June 22 Letter, 5 FCC Rcd 3898 (1990), "that any portion of Account 6535 that would have been previously recorded in Account 675 shall be included in the numerator of the administrative

² SWBT wishes to clarify a statement concerning SWBT's position on the denominator of the administrative calculation. Paragraph 29 states that SWBT "contends that Account 2001, Total Telephone Plant in Service, should serve as the denominator of the administrative component calculation." However, consistent with the administrative component formula in Attachment A to the HDO, Account 2001 is only one of three figures in such denominator. Such denominator is Account 2001 less Total Plant Depreciation Reserve less Total Accumulated Deferred Income Taxes.

³ Exhibit "B" and Exhibit "C" include supporting documentation from several of SWBT's internal company reports, such as the "CAP1" report. In order to protect the confidential nature of the data contained in SWBT's internal company reports, SWBT has redacted all data other than the data required for purposes of the calculation of conduit rates.

component calculation.” This conclusion is based on the HDO’s incorrect assumption that “a portion of Account 6535 would include expenses that under Part 31 would have been recorded in Account 675” Based on a careful reading and comparison of Part 31, Account 675, “Other Expenses,” and Part 32, Account 6535, “Engineering Expense,” it is apparent that none of the expenses described in Part 31, Account 675 are included in Part 32, Account 6535. See Exhibit “D” attached hereto. The June 22 Letter is unclear with regard to the relationship between Account 6535 and Account 675 and the HDO’s assumption that some portion of Account 6535 would have been recorded in Account 675 is in error. Instead, the predecessor of Account 6535 in which this type of expense would have been recorded under Part 31 was Account 705, “Engineering Expense.”

The text of that June 22 Letter does not state that a portion of Account 6535 would include expenses that under Part 31 would have been recorded in Account 675. The HDO’s assumption to that effect must have been an interpretation of page 2 of the attachment to the June 22 Letter. In the upper portion of page 2 of the attachment to the June 22 Letter, Part 31 Accounts are listed on the left side of the page with Part 32 Account titles in the center and Form M location on the right. A space separates each Part 31 Account until Account 675, “Other Expenses.” Directly under Account 675 on that page are seven Part 32 account titles with no spaces between accounts and no listings in the Part 31 Account column. With the single exception of the last account, Account 6728, Other General and Administrative, no portion of the other six (6) accounts, including Engineering Expense, were charged under Part 31 to Account 675. Therefore, it is incorrect to assume that any portion of Account 6535 that would have been

previously recorded in Account 675 should be included in the numerator of the administrative component calculation.

The correct amount of Engineering Expense to include in the numerator of the administrative component calculation is the Kansas portion of the Net Balance Engineering reported on Row/Acct. No. 685 of ARMIS Report 43-02, Table I-1-3, Page 1 of 2 (for 1995 rates) or Table I-1, Page 5 of 9 (for 1996 rates). This is more fully explained in the information provided in response to paragraph 32 of the HDO, which is set forth in paragraph 4 below.

4. Paragraph 32 of the HDO directs SWBT to file information concerning “what portion of Account 6535 SWBT would have included in pole attachment rate calculations under Part 31.” As explained in paragraph 3 above, no portion of Account 6535 would have been recorded in Account 675. However, SWBT agrees with the HDO’s statement in paragraph 31, that “Account 6535, Engineering expense, is intended to be used to record general engineering expenses that are not directly chargeable to specific undertakings or projects”⁴ and those general engineering expenses are exactly the charges that can be found in Net Balance - Engineering on Row/Acct. No. 685 of ARMIS Report 43-02, Table I-1-3, Page 1 of 2 (for 1995 rates) or Table I-1, Page 5 of 9 (for 1996 rates). Row 685 represents the amount remaining in Account 6535 Engineering Expense, after all clearances have been made.

The ARMIS Report 43-02 used for 1995 rates contains three rows on Table I-1-3, Page 1 of 2, where Account 6535 Engineering expenses are reported. One is Row/Acct. 6535

⁴ See also RAO Letter 7, Question 12, dated July 1, 1987.

Engineering which contains engineering expenses not directly reportable to an undertaking. The second is Row/Acct. 680 Clearance - Engineering, which are engineering expenses contained in Account 6535 that subsequent to being charged to Account 6535 can be charged to a specific undertaking and are cleared out of Account 6535. The third is Row/Acct. 685 Net Balance - Engineering which includes the final amount that can not be charged to specific undertakings. It is the Kansas portion of the amount remaining in Row/Acct. 685 Net Balance - Engineering that should be included with the other components in the numerator of the general and administrative component of the formula.⁵ The Kansas portion of the Net Balance - Engineering is reflected in SWBT's Company MR15 Report as shown in Exhibit "B" and "Exhibit C". A redacted copy of the pages of the MR15 Report containing the state-by-state figures for Net Balance-Engineering are included in Exhibit "B" and Exhibit "C" to show that these reconcile to the total ARMIS figures. The pertinent pages from this ARMIS Report are also attached hereto as part of the data supporting the administrative expense calculation in Exhibit "B" and Exhibit "C". An excerpt from the state annual report for Kansas is also included to show that the same figure is publicly available in state reports.

SWBT further states that the records show that under Part 31, engineering expenses not directly reportable to specific undertakings were charged to Account 705, "Engineering

⁵ SWBT's position concerning engineering expense is not explained fully in paragraph 29 of the HDO. As explained in this Response, SWBT's position is that a portion of Account 6535 should be included in the administrative component calculation. That portion is the Kansas portion of the amount in Row/Account 685, Net Balance-Engineering.

Expense.” These are also the type of engineering expenses that under Part 32 are chargeable to Account 6535, “Engineering Expense.”

In summary, the portion of Account 6535 that should be included in the calculation of the conduit rates is the Kansas portion of the net balance after clearances as reflected in the above-referenced location of SWBT’s ARMIS Report 43-02.

5. Paragraph 35 of the HDO directs SWBT “to submit information . . . concerning its weighted average cost of capital, both debt and equity, for the State of Kansas during the years in question.” According to the Report and Order in CC Docket No. 86-212, ¶ 84, the Commission uses “the most recent authorized intrastate rate of return as the cost of capital figure in [its] computation of pole attachment rates.” As explained in SWBT’s Response to Complaint, pages 32-33, this most recent authorized rate of return is 12.18% which was established in a 1983 Kansas Corporation Commission (“KCC”) order. A more recent order of the KCC in Docket 166, 856-U dated February 2, 1990 established a rate of return for limited use in subsequent access rate proceedings. In that 1990 Order, the KCC adopted an ROE of 13.10%, which when combined with the capital structure in that proceeding yields a 11.35% ROI. On this basis, if the most recent authorized intrastate rate-of-return (12.18%) is not used as required by the Report and Order in CC Docket No. 86-212, then, in the alternative, SWBT believes that the 11.25% interstate rate-of-return should be used. This alternative is consistent with Multimedia’s previous position in this proceeding. Because SWBT is not subject to rate-of-return regulation, SWBT does not have information establishing “its weighted average cost of capital, both debt and equity, for the state of Kansas during the years in question.” Extensive, time-consuming and

costly studies of the type previously performed in connection with state rate-of-return proceedings would be required to determine such cost of capital. In view of the fact that Complainant contended that 11.25% should be used, and that SWBT is willing to agree to 11.25% if 12.18% is not used in accordance with the rules, SWBT submits that it is not necessary to determine the weighted average cost of capital for purposes of this proceeding, as it is not a matter in dispute.

6. Paragraph 38 of the HDO directs SWBT to file the data required by Section 1.1404(g) and any other data needed to calculate the maximum rate pursuant to the Commission's formulas for each of the years since December 30, 1994. The data needed to calculate conduit rates pursuant to the Commission's formulas for 1995 and 1996 is attached hereto as Exhibit "B" and Exhibit "C". These Exhibits include summary pages on which SWBT performs a line-by-line calculation of the rate for each of the two years, as well as supporting documentation.⁶

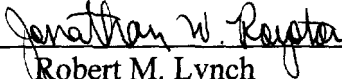
7. In providing the data required by Paragraph 38 of the HDO, SWBT used the formula for "Accumulated Deferred Income Taxes (Conduit)" listed in Attachment A to the HDO. However, SWBT objects to the use of such formula for poles or conduit. The formula in Attachment A of the HDO prorates the Accumulated Deferred Income Taxes ("ADT") for total plant based on the ratio of conduit investment(E) to total investment(k). However, the actual amount of ADT for conduit, as well as poles, is available on SWBT's books. Therefore, it

⁶ For an explanation of the redaction of data on the internal company report pages included in Exhibit "B" and Exhibit "C", see footnote 3 supra.

should not be necessary to estimate the amount of conduit- or pole-specific ADT by using a proration method. In the Attachment to the Report and Order in CC Docket No. 86-212, the Commission specified that “Accumulated Deferred Income Taxes (Poles)” was to be used in calculating the net cost of a bare pole. In that Report and Order, the Commission did not require use of a proration method to determine the pole-specific ADT. It was not necessary to require a proration method because the actual number is available, just as other variables in the formulas are also available (e.g., “Depreciation Reserve (Poles)”). If the formula in Attachment A is changed to reflect that the actual ADT in Kansas as shown on internal company reports is used in all cases for poles and conduit, SWBT would be willing to use that actual number in this case instead of the proration method set forth in Attachment A. SWBT is willing to use the actual number - - provided the same method is applicable to all cases - - even though here the actual number is much lower than the prorated amount.

Respectfully submitted,

SOUTHWESTERN BELL TELEPHONE COMPANY

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October 3, 1996

INDEX TO EXHIBITS

Exhibit "A" - Affidavit of Les Bolhofner

Exhibit "B" - 1995 Conduit Rates

1. Conduit Attachment Calculation
2. Duct and Trench KM
3. Gross Conduit Investment
4. Depreciation Reserve - Conduit
5. Accumulated Deferred Income Tax - Conduit/Total Plant
6. Gross Plant Investment - Acct. 2001
7. Depreciation Reserve - Total Plant
8. Depreciation Rate - Conduit
9. Total General and Administrative Expense
10. Normalized Tax Expenses
11. Conduit Maintenance Expense
12. Cost of Capital (Kansas Corp. Comm'n Order dated 2/2/90)

Exhibit "C" - 1996 Conduit Rates

1. Conduit Attachment Calculation
2. Duct and Trench KM
3. Gross Conduit Investment
4. Depreciation Reserve - Conduit
5. Accumulated Deferred Income Tax - Conduit/Total Plant
6. Gross Plant Investment - Acct. 2001
7. Depreciation Reserve - Total Plant
8. Depreciation Rate - Conduit
9. Total General and Administrative Expense
10. Normalized Tax Expenses
11. Conduit Maintenance Expense

Exhibit "D" - Part 31, Accounts 675 and 6535

Affidavit of Albert K. Spears

EXHIBIT "A"

**AFFIDAVIT OF
LES BOLHOFNER**

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of

Multimedia Cablevision, Inc.,

Complainant,

v.

Southwestern Bell Telephone
Company,

Respondent.

CS Docket No. 96-181
PA 95-008

AFFIDAVIT OF
LES BOLHOFNER

I, Les Bolhofner, do hereby state as follows:

1. I am the Area Manager-Resources for Southwestern Bell Telephone Company ("SWBT"). In that capacity, my responsibilities include management of SWBT's outside plant construction policies and practices, including those related to poles and conduit, negotiations related to poles and conduit and resource-related planning.
2. When SWBT has placed conduit, it typically has determined the size of the conduit based on the anticipated long-term need for facilities along the conduit's route. The size of the conduit typically has been based on anticipated requirements for an extended period (e.g. up to 20 years). This eliminates the nuisance to the public of frequent construction modifications in traffic thoroughfares.
3. Over time, occupancy of a conduit route may approach capacity. However, SWBT generally does not use the last duct along a particular conduit route between two manholes because one duct is needed for emergency replacements. For example, if a cable were

damaged or defective, then a new cable can be placed in the spare maintenance duct before the damaged or defective cable is removed. If there were no spare maintenance duct, then restoration of service would most likely be delayed. Either service to customers would have to be interrupted while the defective or damaged cable is removed and replaced; or if possible, additional conduit would have to be designed and constructed.

4. Another benefit that a spare maintenance duct can provide is a spare duct to use during consolidation of other cables in the duct. For example, if there are two smaller cables in two separate ducts and they can be replaced by one larger cable, then the larger cable could be installed prior to removing the two existing cables. This procedure using the spare maintenance duct could avoid the need for placing additional conduit and eliminate the need to inconvenience the public during construction. Of course, given that SWBT would not interrupt service to consolidate existing facilities in a conduit run, the availability of the maintenance duct assures that facilities can be placed in a timely manner to accommodate growth.

5. Cable operators that use SWBT's conduit benefit from these same advantages. If a rearrangement of a cable operator's cables is required to use a conduit more efficiently, the cable operator would be allowed to temporarily use the spare maintenance duct to consolidate or rearrange its cables in order to avoid interruption of service to its subscribers or costs to construct additional conduit.

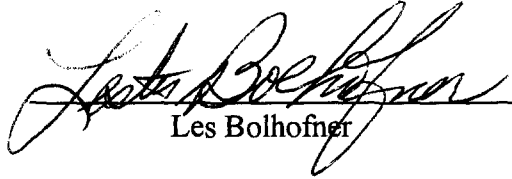
6. The maintenance duct is available to cable operators and other licensees in an emergency or for maintenance purposes, subject to SWBT's supervision and control. SWBT's License Agreement for Conduit Occupancy did not previously address the subject of the availability of the maintenance duct to licensees. However, the current version of SWBT's

License Agreement confirms that the maintenance duct is available to licensees for short-term use for maintenance, repair or emergency restoration purposes. The current version of SWBT's License Agreement is available to any licensee that wishes to sign an updated agreement.

7. In addition to benefitting from the maintenance, repair or emergency restoration use of the maintenance duct, licensees also benefit from the use of the maintenance duct to create additional spare capacity by making more efficient use of congested conduit space. The existence of the maintenance duct allows SWBT to consolidate facilities in a congested conduit to free up space for itself and for cable operators and other licensees.

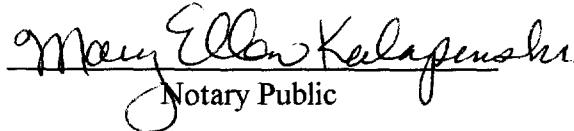
8. The facts surrounding Multimedia's use of SWBT's conduit show the existence and use of the spare maintenance duct. A spare maintenance duct is available in over 90% of the conduit occupied by Multimedia. In 1994, Multimedia was allowed to use the maintenance duct when it placed an additional fiber cable in a conduit run. In that instance, Multimedia had two existing coax cables in a duct and applied to place an additional fiber cable in that conduit run. SWBT initially denied the application because there was no spare capacity in that conduit run: the only duct available in that conduit run was the maintenance duct. However, after further discussion of Multimedia's needs, SWBT allowed Multimedia to place all three of its cables in the maintenance duct, that is, the two coax cables and the new fiber cable were placed in the maintenance duct. Use of the maintenance duct to consolidate all of its cables in one duct was subject to the condition that Multimedia would vacate the other duct occupied by its two pre-existing coax cables. Once vacated, the duct occupied by the two pre-existing coax cables would become the maintenance duct. Therefore, during the transfer of Multimedia's pre-existing coax cables into another duct along with the fiber cable, Multimedia was permitted to use two ducts in

this conduit run. Similar temporary use of the last available duct is generally available to cable operators and licensees, subject to SWBT's supervision and control.


Les Bolhofner

State of Missouri
~~City~~
County of ST. Louis

Subscribed and sworn to before me this 1st day of October, 1996.


Notary Public

MARY ELLEN KALAPINSKI
NOTARY PUBLIC STATE OF MISSOURI
ST. LOUIS CITY
MY COMMISSION EXP JULY 24, 1997

EXHIBIT “B”

1995 CONDUIT RATES

KANSAS

1/1/95 RATES

(12/31/93 data)

CONDUIT ATTACHMENT FORMULAS:

A = Space Occupied by CATV (1 duct)	1
B1 = Duct km	9,001
B2 = Trench km	1,165
B = Average # of Ducts (B1/B2)-1 maint. duct	6.73
C = Net Linear Cost of Conduit ((E-F-G)/I)	\$10.76
D = Total of Carrying Charges (N+P+R+T+V)	33.58%
E = Gross Conduit Investment	64,446,750
F = Depreciation Reserve (Conduit)	16,940,601
G = Accum. Def. Income Tax (Conduit) ((E/Y)*Z)	6,380,582
H = Net Conduit Investment (E-F-G)	41,125,567
I = Total Conduit Feet (B2/1.6093)*5280)	3,822,283
J = Net Plant Investment (K-L-M)	1,012,658,606
K = Total Gross Plant Investment Acct. 2001	2,063,783,996
L = Total Plant Depreciation Reserve	846,799,446
M = Total Accumulated Def. Income Tax ((K/Y)*Z)	204,325,944
N = Depreciation Carrying Charge (O*(E/H))	2.66%
O = Depreciation Rate for Conduit	1.70%
P = Administrative Carrying Charge (Q/X)	10.11%
Q = Total General & Administrative Expense	102,396,386
R = Tax Carrying Charge (S/J)	9.02%
S = Total Current & Deferred Tax Expense	91,297,512
T = Maintenance Carrying Charge (U/W)	0.53%
U = Conduit Maintenance Expense	219,817
V = Cost of Capital	11.25%
W = Net Investment in Conduit	41,125,567
X = Net Plant Investment	1,012,658,606
Maximum Rate ((A/B)*.5*C*D)	\$0.27
Y = Total Company Gross Plant Investment	25,876,242,000
Z = Total Company Accum. Def. Income Tax	2,561,890,000

DUCT AND TRENCH km

Duct and Trench km were obtained from ARMIS 43-08.

Attached is a copy of the page containing the data used in SWB calculations.

**FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

ARMIS OPERATING DATA REPORT
For the Year Ended December 31, 1993

Name of Company: SOUTHWESTERN BELL TELEPHONE COMPANY

Address of Company: ONE BELL CENTER, ST. LOUIS, MISSOURI 63101-3099

COMPANY: Southwestern Bell Telephone Co
STUDY AREA: All
PERIOD: From Jan 1993 To Dec 1993
COSA: SWTR

Approved by OMB
3060-0496
Expires 01/31/95
UNRESTRICTED VERSION
SUBMISSION 1
TABLE 1.A
Page 1.3 of 1

TABLE 1.A - OUTSIDE PLANT STATISTICS-CABLE AND WIRE FACILITIES

Row No.	State or Terr (a)	Code (b)	Km of Copper Wire in		Equipped Km of Tube in Coax Cable (u)	Number of Poles (v)	---- Conduit System ----	
			NonCoax Cable (t)				Trench Km (w)	Duct Km (x)
0140	Arkansas	AR	17,150,056		0	124,194	761	$6,362 / 1.6093 = 3953$
0270	Kansas	KS	20,632,980		0	136,274	1,165	$9,001 / 1.6093 = 5598$
0360	Missouri	MO	41,102,233		0	331,693	3,648	$22,038 / 1.6093 = 13694$
0470	Oklahoma	OK	30,376,089		290	221,272	1,585	$12,247 / 1.6093 = 7611$
0540	Texas	TX	166,342,628		87	914,009	11,489	$91,183 / 1.6093 = 56660$
0910	Total	TO	275,603,986		377	1,727,442	18,648	$140,831 / 1.6093 = 87510$

1.6093

GROSS CONDUIT INVESTMENT

Gross conduit investment was obtained from the SWB state Annual Report.

Attached is a copy of the page containing the data used in SWB calculations.

TELEPHONE UTILITY
ANNUAL REPORT
OF

Southwestern Bell Telephone Company

(EXACT LEGAL NAME OF RESPONDENT)

IF NAME WAS CHANGED DURING YEAR, SHOW ALSO NAME AND DATE OF CHANGE

220 E. 6th Street, Topeka, Kansas 66603

(ADDRESS OF PRINCIPAL BUSINESS OFFICE AT END OF YEAR)

AREA CODE **913** TELEPHONE **276-8761**

TO THE

State of Kansas

State Corporation Commission

FOR THE

YEAR ENDING DECEMBER 31, 19 93

GROSS OPERATING REVENUES DERIVED FROM KANSAS INTRASTATE OPERATIONS	\$539,476,000
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(KANSAS ONLY)
9. PLANT IN SERVICE ACCOUNTS

Acct. No.	Account Title	Balance Beg. of Year	Plant Added	Plant Retired	Adjustments & Transfers	Balance End of Year	Depr. Rate %
General Support Assets							
2111	Land.....	9,583,775	66,599	61,602	0	9,588,772	NA
2112	Motor Vehicles.....	21,095,805	883,049	1,331,755	(58,130)	20,588,969	10.0
2113	Aircraft.....	0	0	0	0	0	NA
2114	Special Purpose Vehicles.....	0	0	0	0	0	NA
2115	Garage Work Equipment.....	138,670	(6,284)	6,549	(38,152)	87,685	34.0
2116	Other Work Equipment.....	20,355,412	1,018,121	822,978	(4,121,238)	16,429,317	6.3
2121	Buildings.....	161,160,729	9,305,146	1,560,208	0	168,905,667	2.5
2122	Furniture.....	10,290,517	15,777	1,689,477	0	8,616,817	3.4
2123	Office Equipment.....	33,907,817	3,337,774	1,097,611	4,088,972	40,236,952	8.0
2124	General Purpose Computers.....	25,041,162	1,137,345	1,593,005	(124,279)	24,461,223	8.3
Central Office Assets							
2211	Analog Electronic Switching.....	157,634,715	3,554,095	22,997,606	(1,332,143)	136,859,061	8.5
2212	Digital Electronic Switching.....	217,931,050	32,977,151	3,340,771	1,839,225	249,406,655	6.9
2215	Electro-Mechanical Switching.....	13,303,420	2,229	11,198,240	(975,714)	1,131,695	NA
2220	Operator Systems.....	3,816,979	1,463,663	404	(2,339)	5,277,899	12.3
2230	Central Office-Transmission.....	389,568,831	39,315,119	16,083,862	(3,808,592)	408,991,496	9.2
Information Orig./Term. Assets							
2311	Station Apparatus.....	470,145	18,492	0	0	488,637	4.2
2321	Customer Premises Wiring.....	0	0	0	0	0	NA
2341	Large Private Branch Exch.....	3,240,113	169,998	59,920	0	3,350,191	6.1
2351	Public Tele. Terminal Equip.....	17,446,840	1,135,834	448,957	0	18,133,717	6.8
2362	Other Terminal Equipment.....	15,591,251	3,865,681	1,391,196	960,064	19,025,800	10.1
Cable & Wire Facilities Assets							
2411	Poles.....	21,667,315	244,087	380,799	(2)	21,530,601	7.7
2421	Aerial Cable.....	75,829,317	2,733,023	2,263,326	(1,652)	76,297,362	5.4
2422	Underground Cable.....	132,141,820	5,907,912	1,140,951	(80)	136,908,701	4.8
2423	Buried Cable.....	593,810,936	36,572,652	7,165,536	12,930	623,230,982	4.8
2424	Submarine Cable.....	254,195	1,345	0	0	255,540	2.7
2425	Deep Sea Cable.....	0	0	0	0	0	NA
2426	Intrabuilding Network Cable.....	4,990,522	38,510	32,286	2,358	4,999,104	5.2
2431	Aerial Wire.....	1,192,002	3,185	49,831	0	1,145,356	12.1
2441	Conduit Systems.....	63,116,657	1,451,200	111,174	(9,933)	64,446,750	1.7
Amortization Assets							
2681	Capital Leases.....	6,583,440	731,489	5,008,323	0	2,306,606	NA
2682	Leasehold Improvements.....	1,109,465	176,436	203,460	0	1,082,441	NA
2690	Intangibles.....	0	0	0	0	0	NA
2001	Total Telephone Plant in Service...	2,001,272,900	146,119,628	80,039,827	(3,568,705)	2,063,783,996	6.1
2002	Property Held for Future Tel. Use..	69,868	(49,000)	20,868	0	0	NA
2003	Tele Plant Under Const.-Short Term.....	25,613,256	(11,451,039)	0	0	14,162,217	NA
2004	Tele Plant Under Const.-Long Term.....	9,964,493	(3,483,563)	0	0	6,480,930	NA
2005	Tele. Plant Adjustments.....	0	0	0	0	0	NA
2006	Nonoperating Plant.....	310,378	(38,450)	24,568	0	247,360	NA
2007	Goodwill.....	0	0	0	0	0	NA
	Total Kansas Tel. Plant.....	2,037,230,895	131,097,576	80,085,263	(3,568,705)	2,084,674,503	6.1

Company Southwestern Bell Telephone Company

Year Reported

1993

DEPRECIATION RESERVE - CONDUIT

Depreciation reserve for conduit is not shown separately for each state on the ARMIS report. Therefore, the conduit depreciation reserve data was obtained from the SWB MR16 report which contains data by state.

Copies of the MR16 report for each state are attached to show what specific number were used and also to show that they total to the ARMIS 43-02 Report. Data on ARMIS is rounded to thousands and therefore, may not be an exact match of MR16 data.

Also attached is a copy of the ARMIS 43-02 report showing total company depreciation reserve for conduit.

Arkansas	18,156,030
Kansas	16,940,601
Missouri	41,320,410
Oklahoma	21,718,998
Texas	209,022,565
Company	<u>307,158,604</u>
ARMIS (Co.)	307,159 In Thousands

**FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

**ARMIS USOA REPORT
For the Year Ended December 31, 1993**

Name of Company: **SOUTHWESTERN BELL TELEPHONE COMPANY**

Address of Company: **ONE BELL CENTER, ST. LOUIS, MISSOURI 63101-3099**

FCC Report 43-02 is prescribed for every local exchange carrier with operating revenues of \$100 million or more. The ARMIS USOA Report collects the operating results of the carriers; total activities for every account in the USOA, as specified in Part 22 of the Commission's Rules. The ARMIS USOA Report specifies information requirements in a consistent format and is essential to the FCC to monitor revenue requirements, rate of return, jurisdictional separations and access charges. Your response is mandatory.

Public reporting burden for this collection of information is estimated to average 899 hours per response including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to the Federal Communications Commission, Office of Managing Director, Washington, D.C. 20554 and to the Office of Management and Budget, Office of Information and Regulatory Affairs, Washington, D.C. 20503.